EXHIBIT 3
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HR

Fort Belknap Indian Community



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Fort Belknap Indian Community
(Tribal Govt.)
Fort Belknap Indian Community
(Elected to administer the affairs of the community and to represent the Assiniboine and the Gros Ventre
Tribes of the Fort Belknap Indian Reservation)

February 5, 2007

Joint Appropriations Subcommittee
On Natural Resources and Commerce

RE: Joint Letter from the Fort Belknap Indian Community Council and DEQ Supporting Decision Package 5029-Swift Gulch

Dear Chairman Ripley and Subcommittee Members:

In its discussion of Department of Environmental Quality (DEQ) Decision Package 5029, Swift Gulch Drainage System OTO/BIE, members of the Subcommittee expressed interest in receiving more information on this decision package with regard to its possible inclusion in House Bill 2. The Subcommittee particularly requested information with respect to communication between DEQ and the Fort Belknap Indian Community Council (FBICC) regarding ongoing maintenance needs and plans for the passive water treatment system proposed in Decision Package 5029. In response to the Subcommittee's request, the FBICC and DEQ send this joint letter to provide further background information about the situation at Swift Gulch and to outline our preliminary plans for future maintenance and operation costs.

Groundwater with increasing levels of acidity and metals is discharging from the south into the Swift Gulch drainage The Landusky Mine pits are located south of Swift Gulch, but the exact origin of contaminated water seeping into Swift Gulch is not known. Water quality in Swift Gulch has deteriorated to the point where chronic aquatic life criteria are sometimes exceeded at the point where the creek flows onto Fort Belknap Indian Reservation lands. Given recent water chemistry trends, water quality could substantially exceed standards for many parameters at the Reservation boundary if water treatment is not initiated soon.

The State is involved in this project because DEQ issued Operating Permits for the now bankrupt Zortman-Landusky mines and held the bonds for their reclamation. As a result of the bankruptcy, DEQ now manages the spending of those bond funds, which have proven to be inadequate, and also owns the water treatment facilities at both mine sites.

Expressing their determination to address the water contamination issues, both DEQ and the FBICC agreed to engage in a process that would include the FBICC in the

development and review of plans to address the contamination issues, namely the contamination at Alder Gulch, King Creek and Swift Gulch. As such, DEQ and the FBICC signed a Memorandum of Understanding in December 2005, forming the Zortman Technical Working group with the intention of finding technical solutions to the ongoing water contamination issues.

This proposal to construct a passive water treatment demonstration project in Swift Gulch, proposed in Decision Package 5029, is a result of research by members of the Technical Working Group, and is intended to begin improving water quality in lower Swift Gulch.

DEQ has previously developed plans to construct settling ponds and wetlands in Swift Gulch to address water quality concerns. However, sampling during the Summer and Fall of 2006 has shown that the creek is now too acidic for settling ponds alone to be effective in removing iron from Swift Gulch waters prior to their reaching the location planned for the construction of wetlands. This would cause the planned wetland treatment systems to fail. DEQ is now recommending that a facility be constructed upstream of the proposed ponds that would meter in lime or another alkaline compound in order to raise the pH and cause iron to drop out of the water more rapidly.

The planned treatment system would be located in Swift Gulch near the upstream end of BLM lands and downstream from the sources of acid seeping into the creek. There are currently no roads accessing this proposed location, and substantial construction would be required to provide access. The requested funding would be used to develop access, design, and construct a treatment facility. This facility would operate on a year-round basis in a remote location. It would not require connection to the power grid, as it would utilize a passive gravity system.

DEQ has developed a preliminary estimate of \$33,000 per year for operating and maintenance costs for this treatment system. It is important to note that DEQ is not requesting funding for long term operation at this time. Rather, we believe that the system should be designed, constructed, operated and monitored during an initial demonstration period prior to considering funding for its long term operation. Although long term operation costs might eventually be recoverable from private parties due to the mines' status as a CERCLA site, it is clear that DEQ will bear the operation and maintenance costs during the initial demonstration period. These costs represent a marginal increase above the O&M costs for the larger treatment systems in the Landusky-Zortman drainages. Furthermore, we presently believe that the initial funding of \$500,000 will likely cover O&M costs for the first year of operation.

The problem in Swift Gulch is significant and apparently increasing. The treatment system funded through this decision package, in conjunction with the settling ponds and wetlands proposed through the reclamation Development Grants Program, will provide significant and immediate improvements to the water quality at Swift Gulch. DEQ and the Fort Belknap Indian Community Council strongly support the funding of this project.

In addition, the Governor's Office continues to support the inclusion of Decision Package 5029 in House Bill 2. Thank you for your consideration.

Sincerely,

Julia Doney, President

Fort Belknap Indian Community Council

Richard H. Opper, Director

Department of Environmental Quality